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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91191016
Party	Plaintiff Intellectual Reserve, Inc.
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The Attached Reply Memorandum in Support of Opposer's 12(B)(6) Motion to Dismiss Applicant's Counterclaim corrects a typographical error on p. 3 of the brief previously filed December 11, 2009.

IN THE UNITED STATES PATENT & TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

INTELLECTUAL RESERVE, INC. Opposer/Registrant, vs. KENDAL M. SHEETS Applicant/Petitioner	Opposition No. 91191016

REPLY MEMORANDUM IN SUPPORT OF OPPOSER'S 12(B)(6) MOTION TO DISMISS APPLICANT'S COUNTERCLAIM

Applicant/Petitioner Kendal Sheets' counterclaim seeks to cancel six registrations owned by Opposer/Registrant Intellectual Reserve, Inc. ("IRI") that incorporate the word "MORMON" (collectively, the "MORMON Marks").[1] In support of the counterclaim, Sheets asserts that the MORMON Marks are functional, descriptive, or generic. However, as set forth in IRI's November 16, 2009 motion to dismiss and as now confirmed by Sheets' response brief, Sheets is unable to allege facts sufficient to state a claim for cancellation on any of these grounds. Sheets' November 30, 2009 response to

[1] The MORMON Marks include the following: (1) Registration No. 1524555, **MORMON HANDICRAFT**, issued February 14, 1989, for fabrics, linens, and related goods identified in class 24; (2) Registration No. 1527447, **MORMON HANDICRAFT**, issued February 28, 1989, for retail catalog mail order and telephone order services for craft items and related goods and services identified in Class 42; (3) Registration No. 2766231, **MORMON TABERNACLE CHOIR**, issued September 23, 2003, for recordings, live entertainment services, and related goods and services identified in Classes 9 and 41; (4) Registration No. 2883572, **BOOK OF MORMON**, issued September 14, 2004, for recordings, printed matter, and related goods identified in Classes 9 and 16; (5) Registration No. 2913694, **MORMON TABERNACLE CHOIR and Design**, issued December 21, 2004, for recordings, publications, live performances, and related goods and services identified in Classes, 9, 16, and 41; and (6) Registration No. 3239919, **MORMON**, issued May 8, 2007, for educational and genealogical services identified in Class 41 and 42.

the motion to dismiss fails to overcome this shortcoming. Indeed, his response ignores or miscomprehends each of the applicable legal standards, failing to make a viable claim for cancellation. Accordingly, his claim for cancellation on all three grounds — functionality, descriptiveness, and genericness — must be dismissed.

I. ARGUMENT

A. The MORMON Marks Cannot Be Cancelled for "Functionality"

As IRI noted in its opening memorandum, functionality relates to product ***features*** such as product design or packaging, color, or other trade dress for goods and services. TMEP § 1202.02; *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 165, 34 U.S.P.Q.2d 1161, 1163-64 (1995). The MORMON Marks are simply word and design marks that have no relationship to the features of the goods and services for which they are registered — *i.e.* handicrafts, recordings, educational services, and so forth. The MORMON Marks merely convey the source and/or reputation of the goods and services, playing no part in how the goods or services are produced, packaged, or operated, their quality or cost. In other words, the MORMON Marks are unrelated to the ***function*** of the goods and services. In his response brief, Sheets fails to address this issue, thus essentially conceding that "functionality" is not a valid basis for seeking cancellation of the MORMON Marks. Accordingly, his counterclaim should be dismissed to the extent it seeks cancellation on this ground.

B. The MORMON Marks Cannot Be Cancelled for "Descriptiveness"

Sheets also fails to adequately address IRI's arguments that he has failed to state a claim that the MORMON Marks' registrations should be cancelled under Section 2(e)(1) for mere descriptiveness. As previously noted, three of the registrations — Nos. 1524555

and 1527447 for MORMON HANDICRAFT and No. 27662321 for MORMON TABERNACLE CHOIR — were issued more than five years before Sheets filed his petition for cancellation. Accordingly, any counterclaim seeking cancellation of these registrations on the grounds that the corresponding marks are merely descriptive under Section 2(e)(1) of the Trademark Act, 15 U.S.C. § 1052(e)(1), is barred by Section 14(1), 15 U.S.C. § 1064(1) (providing that a petition to cancel a registration must be brought "within five years from the date of the registration" except on a few limited grounds not including mere descriptiveness). Since Sheets has not properly contested — and cannot contest — this point, the "mere descriptiveness" claim as pertaining to these three registrations must be dismissed as a matter of law.

Dismissal of the Section 2(e)(1) claims is also warranted because Sheets has failed to allege any facts supporting the contention that the MORMON Marks are merely descriptive of the specified goods and services for which they are registered. Rather, he asserts that "the word 'Mormon'" is "merely descriptive" of a "member of any of several denominations or sects" or a "type or category of a religion." Counterclaim ¶¶ 5, 7. But "[w]hether a term is merely descriptive is not determined in the abstract, but in relation to the goods ***for which registration is sought***." *In re Silicon Sys., Inc.*, Ser. No. 78447267, 2009 WL 129549, at *1 (TTAB Jan. 6, 2009) (citing *In re Bright-Crest Ltd.*, 204 U.S.P.Q. 591, 593 (TTAB 1979)); *see also In re Omaha Nat'l Corp.*, 2 U.S.P.Q.2d 1859 (Fed. Cir. 1987). "That a term may have other meanings in different contexts is not controlling." *In re Silicon*, 2009 WL 129549, at *1. As the MORMON Marks are not registered as membership marks, and as Sheets has failed to state any facts as to how the MORMON Marks are descriptive of the specific goods and services listed in the registrations, Sheets' allegations fail to state a claim.

In his response brief, Sheets relies upon Paragraph 11 of his Counterclaim and the conclusory statement that "[a]lternatively, 'Mormon' merely describes or is merely descriptive of the services or goods being offered under Counter-Defendant's registrations." Resp. Br. at 1-2. This is not a factual allegation. Such conclusory statements without supporting factual allegations are insufficient to state a claim. *McDonnell Douglas Corp. v. Nat'l Data Corp.*, 228 U.S.P.Q. 45, 47 (TTAB 1985) (noting that "bald allegations" are insufficient to state a claim).[2]

Sheets' failure to allege any facts to support his descriptiveness claim is fatal in this case, because all of the MORMON Marks were registered under Section 2(f) after the PTO accepted proof of secondary meaning submitted by IRI. Thus, even if elements of the marks were merely descriptive, that is not a sufficient basis for a petition for cancellation. Sheets has failed to allege that the MORMON Marks lack secondary meaning or that the PTO acted improperly in finding secondary meaning, let alone point to alleged facts that the word MORMON somehow describes the stated goods and services. Thus, he has failed to state a claim on which relief may be granted.

Sheets claims that IRI should have been required to disclaim "MORMON" as part of the process for obtaining registrations for the MORMON Marks. However, because

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[2] Sheets protests that IRI should not be allowed to move to dismiss the counterclaim for lack of sufficient allegations while simultaneously moving to strike the evidentiary materials included in the counterclaim. This argument ignores the different Rules that apply to factual ***allegations*** in pleadings and ***evidence*** that may be submitted in accordance with the Board's scheduling order after pleadings are filed. A counterclaim must include sufficient factual statements or allegations that do more than state mere conclusions. *McDonnell Douglas Corp.*, 228 U.S.P.Q. at 47. On the other hand, "evidentiary matters (such as, for example, lists of publications or articles in which a term sought to be registered by an applicant is alleged to be used descriptively) should not be pleaded in a complaint. They are matters for proof, not for pleading." TBMP § 309.03(a)(2) (2d ed. Rev. 2004).

the PTO accepted IRI's proof of secondary meaning, no disclaimer was required. Because Sheets has failed to allege a lack of secondary meaning or even address this issue in his brief, he has failed to state a valid claim for cancellation under Section 2(e)(1) and the counterclaim on this ground must be dismissed.[3]

C. The MORMON Marks Cannot be Cancelled for "Genericness"

Sheets' counterclaim for cancellation based on genericness must be dismissed for similar reasons. He has failed to allege that the MORMON Marks are generic ***as applied to the specific goods and services for which they are registered***. In his response brief, Sheets argues that Paragraphs 10-12 of his Counterclaim sufficiently support his genericness allegations. However, as to genericness, those paragraphs state only that "[t]he word 'Mormon' is a well-known, generic term" and "was generic . . . at the time of application for registration." Resp. Br. at 2. The Counterclaim is devoid of any allegations that "Mormon" is a generic term for any specific goods and services such as fabrics and linens, craft items, publications, recordings, educational services, or the other goods and services for which the MORMON Marks are registered.[4] Sheets has utterly failed to identify any genus for the specified goods or services let alone assert that the word "Mormon" is the commonly used word for that genus. Further, there are no facts alleged that would support such allegations. The mere insinuation that "Mormon" ***may*** be generic when used in connection with a category of religions is wholly insufficient to

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[3] Because the PTO accepted IRI's showing of secondary meaning in the word "MORMON," it would have been inappropriate to require a disclaimer of that word.

[4] Sheets erroneously asserts at the conclusion of his brief that the MORMON Marks "are registered for religious organizations." The MORMON Marks were registered ***by*** IRI, an entity associated with The Church of Jesus Christ of Latter-day Saints. It cannot be disputed, however, that the Marks are only registered ***for*** the goods and services listed in the registrations. It is irrelevant who owns the registrations.

state a claim for cancellation of the marks that are not registered for that category. Sheets' genericness claim fails to state a claim upon which relief may be granted and must be dismissed.

II. CONCLUSION

For all of the foregoing reasons, the Counterclaims asserted by Sheets must be dismissed in their entirety for failure to state a claim upon which cancellation may be granted.

Dated: December 11, 2009

Respectfully Submitted

INTELLECTUAL RESERVE, INC.

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CERTIFICATE OF SERVICE

I hereby certify that on this 11th day of December, 2009, a true and correct copy of the foregoing REPLY MEMORANDUM IN SUPPORT OF OPPOSER'S 12(B)(6) MOTION TO DISMISS APPLICANT'S COUNTERCLAIMS was served on Applicant by first class United States mail, postage prepaid, in an envelope addressed as follows:

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Douglas R. Bush